

The Metropolitan Government of  
Nashville and Davidson County

Fiscal Year 2002

# Budget in Brief



September 2001

Bill Purcell, Mayor

The ***Budget in Brief*** is a condensed version of the Nashville-Davidson County Government's 2001-02 Budget. If you would like more detailed information on specific departments, divisions or programs of the Government; debt service schedules, financial trends, revenue sources and performance indicators, you should examine the Annual Budget document. A copy of the Annual Budget is available for public inspection at any of the following locations:

<http://www.nashville.org/finance/budgets/>

**Office of Management and Budget**

222 Third Avenue North, Suite 550  
Nashville, TN 37201

**Metro Courthouse**

*Council Staff Office*

**Public Library**

Main Library and  
Regional Branches

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## The Metropolitan Government of Nashville and Davidson County

Bill Purcell  
Metropolitan Mayor

### Metropolitan Council

Vice Mayor     Ronnie Steine

At Large	David Briley	District 16	Amanda McClendon
At Large	Chris Ferrell	District 17	Ronnie Greer
At Large	Howard Gentry, Jr.	District 18	Ginger Hausser
At Large	Carolyn Baldwin Tucker	District 19	Ludye N. Wallace
At Large	Leo Waters	District 20	Morris B. Haddox
District 1	Brenda Gilmore	District 21	Edward Whitmore
District 2	Melvin Black	District 22	Norma Hand
District 3	Ron Nollner	District 23	Bob Bogen
District 4	Don Majors	District 24	John Summers
District 5	Lawrence Hall, Jr.	District 25	Jim Shulman
District 6	Eileen Beehan	District 26	Michelle Arriola
District 7	Earl Campbell	District 27	Janis Sontany
District 8	Lawrence Hart	District 28	Jason Alexander
District 9	James Dillard	District 29	Saletta Holloway
District 10	Bettye R. Balthrop	District 30	Michael Kerstetter
District 11	Feller Brown	District 31	Don Knoch
District 12	Phil Ponder	District 32	Craig A. Jenkins
District 13	Tony Derryberry	District 33	Ron Turner
District 14	Bruce Stanley	District 34	Lynn Williams
District 15	J. B. Loring	District 35	Vic Lineweaver

*1999 - 2003 term*



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**Metropolitan  
Government of  
Nashville and  
Davidson  
County**

**Bill Purcell** Mayor

September 1, 2001

Dear Fellow Citizens:

I am pleased to present details of the approved budget for fiscal year 2001-2002. The budget is the embodiment of our priorities and our will to meet the needs of our city. This budget was overwhelmingly approved by the Metro Council reflecting the consensus of views on the following priorities and budget objectives.

- To fully fund our schools
- Assure public safety
- Provide a quality of life that enhances our community and neighborhoods
- Provide a fair and sustaining income for our employees

The budget accomplishes these goals. It totals \$1.23 billion dollars and is balanced and is fully funded.

Education is the most important function of this city. This budget commits the city to a sustained investment in our public schools. Over the next five years, this system will require \$165 million in new operating funds. This budget funds the first large installment -- \$34 million. It will provide 114 new teachers -- to reduce class sizes, guidance counselors in every school and assure modern technology, and paper, for every school for the first time.

This budget maintains our commitment to public safety. It makes it possible for the city to recruit and retain public safety employees in the years ahead by bringing starting salaries in line with the market in other cities. It also makes significant improvements in emergency communications and fire safety that touch our shared quality of life.

This quality of life can be found in the community and our neighborhoods each day. The budget funds neighborhood enhancement grants and provides additional resources for the Office of Neighborhoods to serve our community. It also provides improved additional funding for the Planning Commission and our Arts Commission.

We value the work our Metro employees do as they are called to do it. Last year they received no pay increase. While they wanted and worked, the city hired William M. Mercer, Inc. to determine the facts as they do for private and public employers around the world. They found our employees largely underpaid. They recommended general reclassification together with general pay increases in each of the next three years. This budget fully funds these recommendations. It provides a four percent across the board increase next year and a three percent increase in each of the years that follow.

This budget sets the stage for Nashville to move ahead on our objectives and priorities in this year and the years ahead. It is a conservative budget that balances the needs of the city with the resources available.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Purcell". The signature is fluid and cursive, with the first name "Bill" and last name "Purcell" clearly distinguishable.

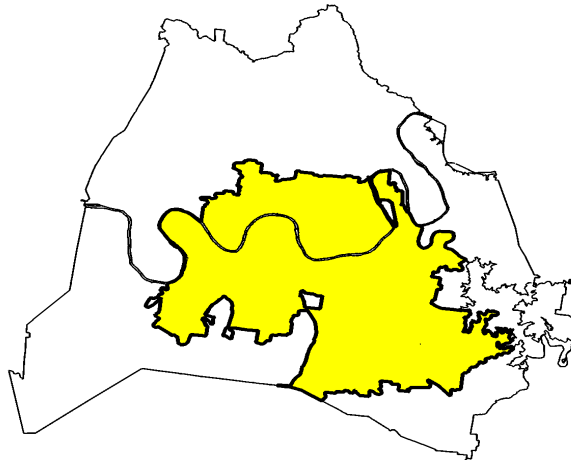
Bill Purcell  
Mayor

## The Metropolitan Government of Nashville and Davidson County

The Metropolitan Government of Nashville and Davidson County (Metro) was formed in 1963 with the merger of the governments of the former City of Nashville and Davidson County. Metro Nashville is a progressive city with a diverse economy, strong transportation links, and many institutions of higher education. It is the capital of Tennessee and the largest city in the mid-state.

Metro is divided into two districts: the General Services District (GSD) and the Urban Services District (USD). The GSD is synonymous with Davidson County; the USD is the old City of Nashville plus certain areas added since Metro was formed.

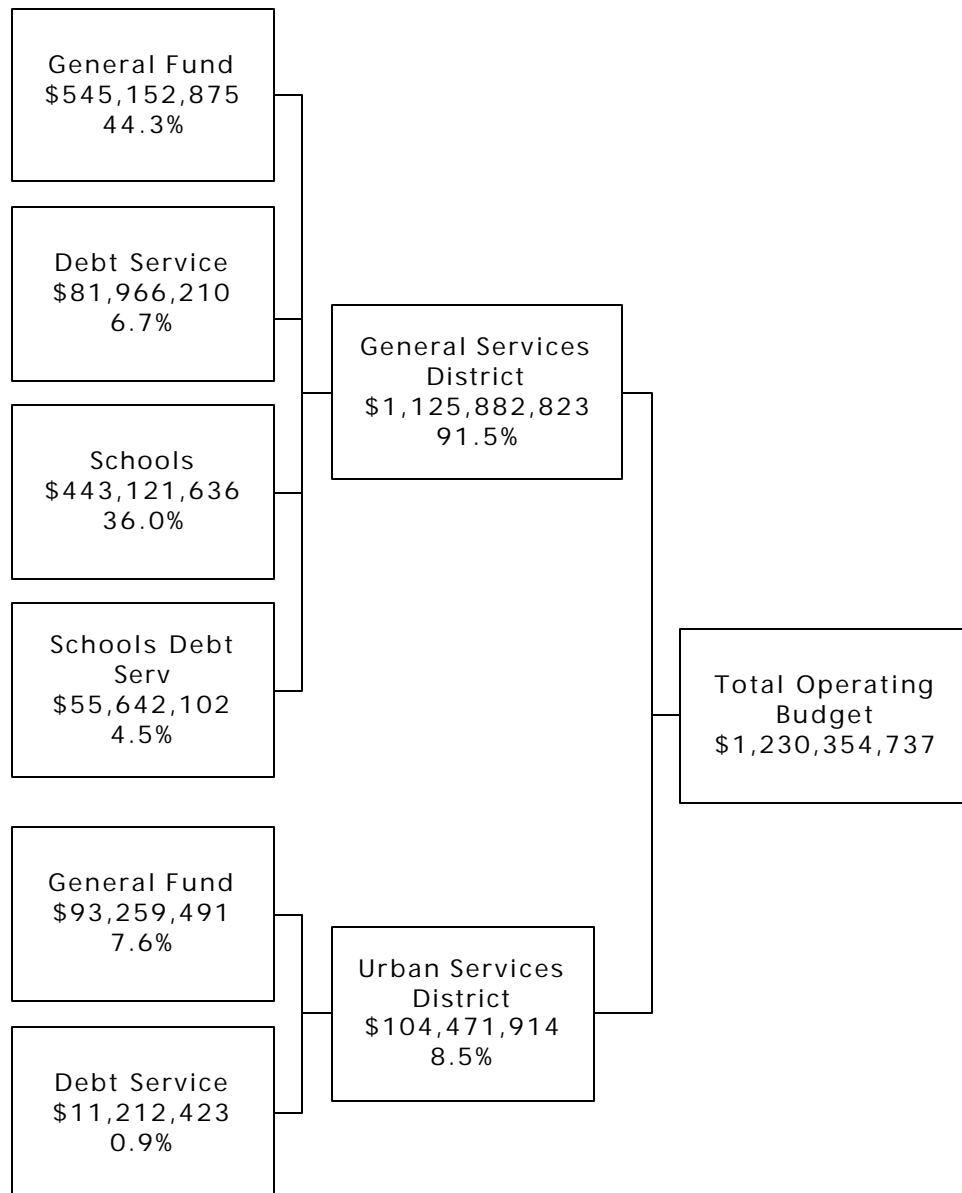
The geographic areas, purposes, and functions of these two districts determine the way services are budgeted and provided in Metro. The two districts relate services provided to taxes paid. The GSD receives a base level of services; its property is taxed at the GSD rate to fund these services. The USD receives more of certain services (garbage collection, streetlights, and increased fire and police protection) that are funded by an additional USD property tax rate.



The USD (shaded area) is a subset of the GSD (Davidson County)

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**Organization of the Operating Budget**  
Six Budgetary Funds



(Percentages may not total 100% due to rounding.)



## Budget Summary

On June 26, 2001, the Metropolitan Council approved an operating budget for Fiscal Year 2002 of \$1,230,354,737. This budget consists of six **budgetary funds** in two districts: the General Services District (GSD) and the Urban Services District (USD). The six funds in two districts make it possible to define tax allocation and service delivery in each district and fund. Appropriations cannot be transferred between funds and/or districts. A description of these six funds is given on the following page.

### Summary of the FY 2002 Budget - Six Budgetary Funds

	GSD General	GSD Debt	GSD School	GSD School	USD General	USD Debt	Duplicated by Interfund Transfers	Total
	Fund*	Service	Fund	Debt Svc	Fund	Service		
Estimated Revenues:								
Property Taxes	\$258,906,420	\$56,397,449	\$162,366,135	\$25,383,404	\$73,681,007	\$8,605,307	\$0	\$585,339,722
Local Option Sales Tax	80,134,138	1,955,985	148,225,259	14,283,336	1,092,000	0	0	245,690,718
Grants & Contributions	91,690,628	1,500,000	144,030,448	0	2,760,260	0	0	239,981,336
All Other Revenues	110,604,129	14,887,632	7,732,132	1,504,506	13,259,504	365,189	(7,659,044)	140,694,048
Fund Balance	7,666,085	11,026,863	(19,223,538)	14,470,856	2,466,720	2,241,927	0	18,648,913
Appropriations								
Total Revenues	\$549,001,400	\$85,767,929	\$443,130,436	\$55,642,102	\$93,259,491	\$11,212,423	(\$7,659,044)	\$1,230,354,737
Appropriated Expenditures:								
General Government	95,325,983	0	0	0	22,421,630	0	(1,107,622)	116,639,991
Fiscal Administration	18,964,284	0	0	0	0	0	0	18,964,284
Administration of Justice	43,374,745	0	0	0	0	0	0	43,374,745
Law Enforcement & Jails	155,305,589	0	0	0	481,000	0	(481,000)	155,305,589
Fire Prevention & Control	25,531,501	0	0	0	52,918,769	0	0	78,450,270
Regulation & Inspection	28,888,339	0	0	0	805,260	0	0	29,693,599
Conservation of Resources	406,805	0	0	0	0	0	0	406,805
Public Welfare	13,190,884	0	0	0	0	0	0	13,190,884
Public Health	30,915,799	0	0	0	0	0	(2,194,903)	28,720,896
Public Library System	17,194,141	0	0	0	0	0	0	17,194,141
Recreational & Cultural	71,281,145	0	0	0	135,440	0	0	71,416,585
Public Works	43,303,328	0	0	0	16,497,392	0	(65,000)	59,735,720
Education	0	0	443,130,436	0	0	0	(8,800)	443,121,636
Debt Service	0	85,767,929	0	55,642,102	0	11,212,423	(3,801,719)	148,820,735
Reserves	5,318,857	0	0	0	0	0	0	5,318,857
Total Expenditures	\$549,001,400	\$85,767,929	\$443,130,436	\$55,642,102	\$93,259,491	\$11,212,423	(\$7,659,044)	\$1,230,354,737
Projected Surplus or (Deficit)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

## Budgetary Funds

- Two **General Funds** (GSD and USD), 51.9% of the total, provide basic operating services of the government such as police and fire protection, parks and recreation, libraries, courts, health, public works, and other community services. These funds receive property and sales taxes, charges for services, fees, fines, penalties, and other revenues.
- Three **Debt Service Funds** (GSD, USD, and Schools), comprising 12.1% of the operating budget, finance the payment of interest and principal on long-term general obligation debt of each district.
- The **School Fund**, 36.0% of the total, is Metro's largest special revenue fund. It is a budgetary fund since it is supported partly by property and local option sales taxes, while other special revenue funds are not.

Metro also operates other funds that receive minor or no tax support. These **non-budgetary funds** include:

- **Internal Service Funds**, such as Motor Pool and Information Systems, provide services to Metro departments on a charge-back basis.
- **Enterprise Funds** are primarily self-supported through charges to the public for services. These include the Convention Center, Farmers' Market, State Fair, Water and Sewer Services, General Hospital, and Bordeaux Hospital.
- **Capital Projects Funds** are used for public improvements of significant cost and/or economic life. Financing is generally through revenue and general obligation bonds.
- **Trust and Agency Funds** account for monies held for others.
- **Special Revenue Funds** are legally restricted for expenditure for specified purposes, such as the Schools Fund. Another special revenue fund, the **Four Percent Reserve Fund**, receives 4% of all original GSD revenues to purchase capital equipment and structural repairs for departments that operate within the GSD General Fund.

## Selected Tax Rates

The Metro budget is financed by a variety of taxes, fees, grants, and other revenues. Some of the most significant taxes and fees are summarized here.

**Property Tax** - The property tax is based on the appraised (estimated market value) of property. For a piece of property, the tax is calculated as:

$$(\text{appraised value} \times \text{assessment rate}) \times (\text{tax rate} / 100)$$

Tax rates (per \$100 of assessed value) and assessment rates are shown in the tables at right. Property in the GSD is taxed at the GSD rate (plus any city rate if the property is in a satellite city); property in the USD is taxed at the combined rate.

Certain types of property (governmental, religious, charitable, scientific, educational, etc.) are exempt. Metro and the state assist the elderly and disabled with taxes on the first \$15,000 market value of their homes through the Property Tax Relief program.

**Local Option Sales Tax** - Nashville's sales tax is levied on all retail sales in Davidson County. The 8.25% rate consists of a 6.00% state tax and a 2.25% local option rate (limited to the first \$1,600 of the cost of each item). Metro allocates 2/3 of its portion (1.50%) to schools and 1/3 (0.75%) to the general funds, with almost all the latter going to the GSD General Fund.

Property Tax Rates	
GSD General	1.97
Debt Service	.43
Schools	1.24
Schools Debt Service	.20
GSD Rate	3.84
USD General	.64
Debt Service	.10
USD Rate	.74
Combined GSD+USD	4.58
Memo - Fire Transfer	.09

Assessment Rate (% of appraised value) by Property Class	
Residential & Farm	
Real Property	25%
Personal Property*	5%
Commercial & Industrial	
Real Property	40%
Personal Property	30%
Public Utility	55%
* Note: \$7,500 exemption	

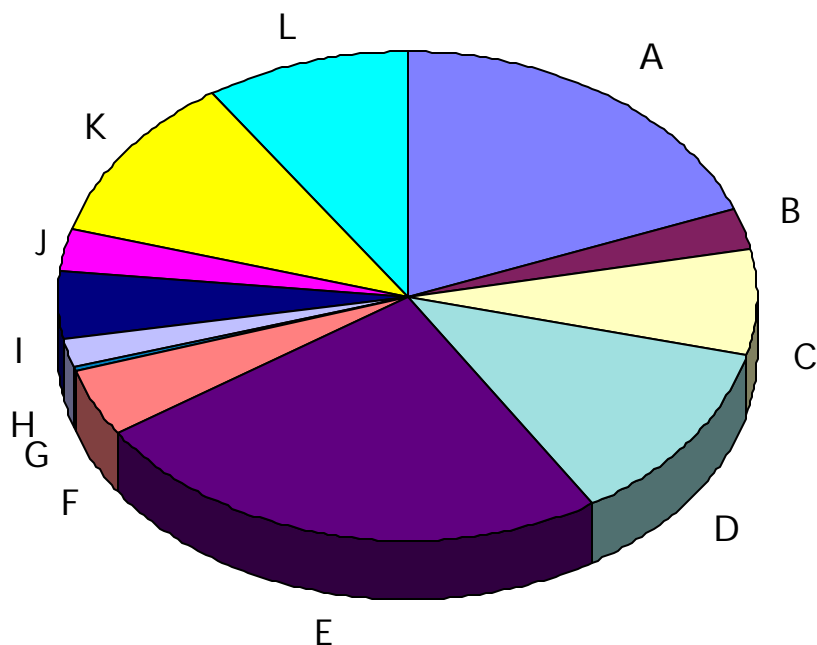
**Local Income or Occupational Privilege Tax** - None.

**Commercial Vehicle Wheel Tax** - \$46 per vehicle per year.

**Motor Vehicle License Fees** - \$35 per vehicle per year.

**Hotel Occupancy Privilege Tax** - 5% of the room cost, over and above the sales tax. Of the 5%, 1% goes to the GSD General Fund.

**General Fund Expenditures**  
**GSD and USD**  
**\$638.4 million**



- A - General Government - \$121.96 (19.1%)
- B - Fiscal Administration - \$18.96 (3.0%)
- C - Administration of Justice - \$43.37 (6.8%)
- D - Fire Prevention & Control - \$78.45 (12.3%)
- E - Law Enforcement & Jails - \$155.31 (24.3%)
- F - Regulation & Inspection - \$29.69 (4.7%)
- G - Conservation of Resources - \$0.41 (0.1%)
- H - Public Welfare - \$13.19 (2.1%)
- I - Public Health - \$28.72 (4.5%)
- J - Public Libraries - \$17.19 (2.7%)
- K - Recreational & Cultural - \$71.42 (11.2%)
- L - Public Works - \$59.74 (9.4%)

## General Fund Services

This section describes General Fund expenditures by function. For each function we note the size of the budget, the percentage of total GSD+USD general fund expenditures (in parentheses) and the corresponding full-time-equivalent (FTE) positions.

For each of these major functions, details are given of any significant changes in the FY 2002 budget. These may include cost-saving initiatives as well as any major changes to the programs administered within each function.

### General Government

**\$121,958,848 - (19.1%) – 358.4 FTE**

General Government includes the Mayor, Council Office, Election Commission, Legal Department, Planning Commission, and various other support agencies. The Mayor and Council are the elected executive and legislative branches of Metro Nashville. The Election Commission maintains voter registration files and conducts all elections for Davidson County and the six incorporated satellite cities. The Legal Department provides complete legal advice, risk management and related services to all levels of the administrative, legislative, and the operational divisions of the government. The Planning Commission acts as the official planning agency for the government and coordinates zoning matters.

This group includes payments for Metro's insurance programs, retirement match payments, contingencies, pay plan improvements, and various subsidies. The largest single transfer from this group is \$17,499,013 to the Four Percent Reserve Fund.

In addition to the normal funding within Administration, this budget also adds \$5,318,857 to be held in reserve. This includes \$2,000,000 for infrastructure improvements to be determined by the Council. Other reserves include future pay plan improvements, affordable housing, utility assistance, neighborhood aftercare, and the Community Police Program.

The FY 2002 budget includes funds for:

- The Finance Department and Human Resources to assume responsibility for performing all functions of the Benefit Board, effective July 1, 2001.
- The creation of the Nashville Career Advancement Center as a new division of the Mayor's Office.

- The creation of new Assistant Director and Administrative Officer positions for the Council Staff Office.
- \$1,000,000 for continuation of affordable housing programs as well as \$400,000 in reserve for additional housing initiatives in FY 2002.
- Initiatives for the Mayor's Office of Neighborhoods including two positions, a Neighborhood Liaison and a Training & Grants Coordinator.
- Internal support of Metro's operations totaling \$29,851,851.
- Employee benefits, including, insurance, retirement, unemployment compensation, etc. totaling \$54,645,433.
- Contingency amounts totaling \$6,282,240.

**Fiscal Administration****\$18,964,284 - (3.0%) – 310.0 FTE**

Fiscal Administration includes the Department of Finance, Tax Assessor, Tax Collections (Trustee), and the County Clerk. The Finance Department has the responsibility to administer the financial affairs of the government in accordance with applicable provisions of the Charter, ordinances, and principles and practices of sound municipal fiscal administration. The Tax Assessor (or Assessor of Property) appraises and assesses all real and personal property, both tangible and intangible, located within Davidson County for the purposes of taxation. The Trustee is charged with collecting the county's real property tax, public utility tax, and personal property tax each year. The County Clerk collects state and local motor vehicle fees and taxes and the state sales tax for title registration.

The FY 2002 budget includes funds for:

- \$658,687 for the transfer of Employee Benefit Board Pension, Payroll, Accounting, Information System, and Customer Service employees to Finance.
  - Movement of the ADA Office from the Mayor's Office to Finance.
  - Full staffing of the Office of Facilities Planning and Construction.
  - Movement of the Treasurer Division to an Internal Service Fund.
  - Discontinuation of the Office Supply Storeroom. This function is being moved to the various departments.
-

**Administration of Justice****\$43,374,745 - (6.8%) – 735.2 FTE**

This category includes the District Attorney, Medical Examiner, Public Defender, Juvenile Court, General Sessions Court, State Trial Courts, Justice Information System; and the Juvenile, Criminal, Chancery, and Circuit Court Clerks.

The FY 2002 budget includes funds for:

- Total costs of the Automated Victim Access Notification System (VINE).
- An increase of \$446,439 per the contract with Forensic Medical Management Services, P.C.
- Increased staffing to provide Juvenile Court Clerk IIIs to provide a clerk for all dockets.
- \$40,000 in non-recurring funds to implement the Juvenile Information System (JIS) data conversion.
- \$30,605 for a Case Manager for the Mental Health grant docket
- \$27,500 for an Interpreter position for various General Sessions court dockets.
- \$40,000 for funding Parenting Plan classes in the State Trial Courts.

**Fire Prevention and Control****\$78,450,270 - (12.3%) – 1,258.0 FTE**

The Fire Department provides efficient emergency services that result in minimizing life-threatening and property-damaging situations within the city. The Firefighting Services Division provides inspection and prevention functions as well as fire suppression. In addition, it provides emergency medical first responder services to support the Ambulance Division in providing Class "A" Emergency Medical Services.

The FY 2002 budget includes funds for:

- \$658,800 for 16 new positions to staff the new Station 39.
  - \$1,190,200 for 30 new Paramedic positions.
  - \$780,000 for cross-training Paramedics as Fire Fighters.
  - \$150,400 for quarterly training drills for special operations teams.
  - \$76,517 for two additional fire inspectors.
-

**Law Enforcement and Care of Prisoners     \$155,305,589 - (24.3%) – 2,481.1 FTE**

This includes the Police Department and the Sheriff's Office. Under the Metropolitan Charter, the Police Department is charged with countywide law enforcement, while the Sheriff's Office houses pre-trial detainees, convicted misdemeanants and certain convicted felons, and serves warrants.

The FY 2002 budget includes funds for:

- \$28,000 for a Chaplain position in the Sheriff's Office.
- \$44,356 for two new Records positions for racial profiling.
- \$32,000 to replace body armor every six years.
- \$30,000 for a new Spanish Instructor.

**Regulation, Inspection, & Econ. Development     \$29,693,599 - (4.6%) – 109.0 FTE**

The Regulation, Inspection, & Economic Development category includes three departments: Codes Administration, Transportation Licensing Board, and the Beer Board. Codes Administration is charged with ensuring that buildings are constructed and maintained in a safe condition. The Transportation Licensing Board licenses and regulates all taxicabs and wreckers operating within Davidson County. The Beer Board is responsible for licensing, regulating, and controlling the transportation, storage, sale, distribution, possession, receipt and /or manufacture of beer with an alcoholic content of not more than five percent (5%) by weight.

The FY 2002 budget includes funds for:

- \$5,000 to print new material including rate cards, "Rider Bill of Rights", and "how-to" brochures for new drivers.
- A reduction of (\$4,426) from the combination of some appeal boards into one or two boards in the Codes Department.

**Conservation of Natural Resources     \$406,805 - (0.1%) - 11.4 FTE**

The city government participates in the conservation of natural resources through two agencies: the Agricultural Extension Service and Soil and Water Conservation. The largest of these is the Agricultural Extension Service, which



provides Davidson County residents useful and practical information on subjects related to agriculture and the home.

There were no significant changes in these departments' FY 2002 budgets.

**Public Welfare****\$13,190,884 - (2.1%) - 326.3 FTE**

Metro Social Services provides general assistance, care, and service on a short or long term basis to residents of Nashville who are unable to support or care for themselves or develop their potentials satisfactorily. Social Services helps them to achieve the highest possible levels of self-support, independent functioning and family and social relationships.

Social Services operates a residential facility for the elderly along with an adult day care center, a residential facility for youth, a nutrition program, a homemaker program, a refugee assistance program, and contracts for JTPA/JOBS training.

The Human Relations Commission works to protect and promote all people's personal dignity, safety, health, security, peace, and general welfare.

The FY 2002 budget includes funds for:

- \$2,407,711 for increased funding for the "Caring for Children" Program, including 8-10 program specialists and additional case management funding.
- A reduction of (\$4,769,558) for adjustments to Social Services grants.
- \$65,000 for a new Human Relations Compliance Staff position.

**Public Health****\$28,720,896 - (4.5%) - 526.4 FTE**

Assuring that the citizens of Nashville's health and welfare are protected continues to be of major importance in the budget. The Metro Health Dept. is responsible for promoting the health of the community. Due to the availability of state-funded TennCare services, the department eliminated many of its primary health care services as its resources are focused toward other priorities and traditional preventative programs.

In FY 1996, hospital operations were moved from the general fund to two enterprise funds (General Hospital and Bordeaux Hospital) that generate their own revenues and receive supplements from the GSD General Fund. In FY 2000, these GSD General Fund supplements were moved from this function to the General Government function.

The FY 2002 budget includes funds for:

- \$238,800 for 4 Public Health Nurses for EPSDT for TNCare eligible children in Davidson County.
- \$165,941 for full-year's funding of the new Animal Services facility.
- \$54,080 for implementing an employee wellness program for Metro employees.
- \$96,720 for flu vaccine for all active Metro employees.

### **Public Library System**

**\$17,194,141 - (2.7%) - 365.0 FTE**

The Public Library collects and makes accessible to the public printed, electronic, audiovisual, nonprint, and broadcast information materials to facilitate the informal self-education of all persons including the disabled. The Public Library strives to enrich and develop the knowledge of persons undertaking formal education, encourage recreational reading, and meet the day-to-day informational needs of all citizens.

The FY 2002 budget includes funds for:

- \$2,426,695 for the new Main Library
- \$224,514 for the new Edmondson Pike branch
- \$65,297 for the Green Hills branch

### **Recreational, Cultural, & Comm. Support**

**\$71,416,585 - (11.2%) - 460.3 FTE**

The Metro Parks Department is responsible for providing and maintaining sufficient acreage and facilities to offer the most diversified recreational services possible, ensuring that all citizens, regardless of income level, have equal opportunity and choice of participation. The Municipal Auditorium is a public-service oriented entertainment facility that seeks to attract a broad

spectrum of events for the Nashville community and the Middle Tennessee area. The Metro Arts Commission provides leadership that stimulates and advances the arts to enrich the human experience for the community. Contribution for the Arts administers allocated funds through the Metro Nashville Arts Commission. The Sports Authority acts as financing authority and landlord for the Gaylord Entertainment Center and Adelphia Coliseum.

The FY 2002 budget includes funds for:

- \$500,000 for an increase in Contribution for the Arts
- \$70,471 for two new Park Ranger positions
- \$40,881 for a new Recreation Center Manager position

**Public Works, Streets, & Refuse Disposal                      \$59,735,720 - (9.4%) - 444.0 FTE**

Public Works is responsible for the engineering, maintenance, construction, and repair of streets, roads, bridges, guardrails, storm sewers, sidewalks, traffic signs and signals, operation of parking facilities, and to manage a stormwater Water Quality Program.

The FY 2002 budget includes funds for:

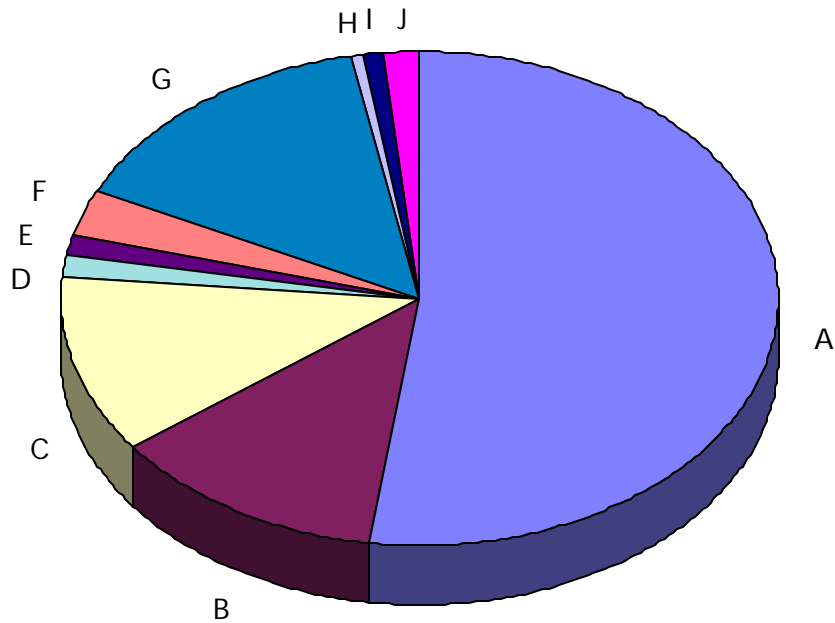
- \$2,200,000 for an increased subsidy to replace the use of the Solid Waste fund balance
- \$247,524 for increases in chipper service
- \$200,000 for sidewalk inspection for Americans With Disabilities Act (ADA) compliance

The table on the next page shows the budget for each general fund department by district (GSD and USD). The interfund transfers are budgetary transfers from a department's budget in one district to the same department's district in the other district; these duplications are subtracted to calculate a department's total budget in both districts combined. The table also shows each department's budgeted full-time-equivalent positions (FTEs).

### General Fund FY 2002 Budgeted Expenditures by Department

<u>Department</u>	<u>GSD General</u>	<u>USD General</u>	<u>Interfund Transfers</u>	<u>Total General</u>	<u>FTEs</u>
01 Administrative (with Reserves)	136,950,340	23,362,330	-951,234	159,361,436	0.0
02 Metropolitan Council	1,311,378	0	0	1,311,378	49.0
03 Metropolitan Clerk	479,217	0	0	479,217	6.5
04 Mayor	2,903,566	0	0	2,903,566	44.0
05 Election Commission	2,212,566	0	0	2,212,566	22.5
06 Law	3,569,454	0	-156,388	3,413,066	52.0
07 Planning Commission	2,966,363	0	0	2,966,363	51.5
08 Human Resources	3,782,450	0	0	3,782,450	61.0
09 Register of Deeds	243,870	0	0	243,870	0.0
10 General Services	8,177,725	0	0	8,177,725	51.9
11 Historical Commission	446,839	0	0	446,839	7.0
13 Community Education Alliance	499,719	0	0	499,719	9.0
14 Metro Information Systems	374,942	0	0	374,942	4.0
15 Finance	8,158,596	0	0	8,158,596	125.0
16 Assessor of Property	6,087,485	0	0	6,087,485	93.0
17 Trustee	1,479,201	0	0	1,479,201	24.0
18 County Clerk	3,239,002	0	0	3,239,002	68.0
19 District Attorney	3,553,109	0	0	3,553,109	81.0
20 Medical Examiner	2,666,439	0	0	2,666,439	0.0
21 Public Defender	3,848,000	0	0	3,848,000	60.5
22 Juvenile Court Clerk	1,245,748	0	0	1,245,748	33.0
23 Circuit Court Clerk	2,802,252	0	0	2,802,252	65.0
24 Criminal Court Clerk	4,124,173	0	0	4,124,173	108.0
25 Clerk and Master - Chancery	1,229,390	0	0	1,229,390	20.0
26 Juvenile Court	8,393,742	0	0	8,393,742	99.7
27 General Sessions Court	7,895,856	0	0	7,895,856	127.0
28 State Trial Courts	5,324,998	0	0	5,324,998	124.0
29 Justice Information System	2,291,038	0	0	2,291,038	17.0
30 Sheriff	46,151,322	0	0	46,151,322	618.0
31 Police	109,154,267	481,000	-481,000	109,154,267	1,863.1
32 Fire	25,531,501	52,918,769	0	78,450,270	1,258.0
33 Codes Administration	5,901,863	0	0	5,901,863	99.0
34 Beer Board	327,831	0	0	327,831	6.0
35 Agricultural Extension	335,602	0	0	335,602	10.4
36 Soil and Water Conservation	71,203	0	0	71,203	1.0
37 Social Services	12,848,595	0	0	12,848,595	321.3
38 Health	30,915,799	0	-2,194,903	28,720,896	526.4
39 Public Library	17,194,141	0	0	17,194,141	365.0
40 Parks	26,225,222	0	0	26,225,222	442.7
41 Arts Commission	2,235,005	0	0	2,235,005	4.6
42 Public Works	43,303,328	16,497,392	-65,000	59,735,720	444.0
44 Human Relations Commission	342,289	0	0	342,289	5.0
45 Transportation Licensing	217,626	0	0	217,626	4.0
61 Municipal Auditorium	1,830,124	0	0	1,830,124	11.0
64 Sports Authority	158,224	0	0	158,224	2.0
Total - General Funds	\$549,001,400	\$93,259,491	-\$3,848,525	\$638,412,366	7,385.1

**General Fund Revenues  
GSD and USD  
\$638.4 million**



A	- Property Taxes -	\$332.59	(52.1%)
B	- Local Option Sales Tax -	\$81.23	(12.7%)
C	- Licenses & Permits -	\$73.89	(11.6%)
D	- Fines, Forfeits, & Penalties -	\$9.23	(1.4%)
E	- Fees from Officials -	\$8.52	(1.3%)
F	- Charges for Current Services -	\$19.75	(3.1%)
G	- Federal, State, & Other -	\$93.56	(14.7%)
H	- Use of Money and Property -	\$3.53	(0.6%)
I	- Miscellaneous Revenue -	\$5.98	(0.9%)
J	- Fund Balance -	\$10.13	(1.6%)

## General Fund Revenue Sources

The general funds of the GSD and USD, which support the general operation of Metro services, have a number of revenue sources. The most notable of these is the property tax (52.1% of total revenues) that is assessed based on the appraised value of real, personal, and public utility property. Federal, state, and other intergovernmental revenue comprises 14.7% of the general funds' revenues, while the local option sales tax contributes another 12.7%. Other revenue sources include licenses and permits, charges for services, fees from officials, fines and penalties, interfund transfers, and miscellaneous revenue. Unlike most states, Tennessee does not have a state income tax.

The FY 2002 budget is based on the expectation that Nashville's diverse economy will continue to experience sustained and moderate growth in the near future. Nashville has above-average growth in employment and personal income, below-average unemployment rates, low office vacancy rates, and substantial new construction. The positive outlook is balanced with the realization that economic cycles will occur and that the directions of some local and national issues are unknown. Metro will monitor these issues as they develop and will respond to them as necessary.

Funding for the FY 2002 GSD and USD general funds will be derived from the following sources:

Property Tax	\$332,587,427
Local Option Sales Tax	81,226,138
Licenses and Permits	73,892,336
Fines, Forfeits, & Penalties	9,231,313
Fees from Officials	8,521,110
Charge for Current Services	19,747,641
Federal, State, and Other	93,562,934
Use of Money and Property	3,533,084
Miscellaneous Revenue	5,977,578
Fund Balance	10,132,805
<b>Total General Funds</b>	<b>\$638,412,366</b>

## Debt Service Fund

Periodically, the government borrows money to finance selected capital improvements (land, buildings, equipment, etc.) contained in the Capital Improvements Budget and Program. This is done by issuing debt – notes and bonds that represent our promise to pay back to borrowers. "Debt service" is the repayment of principal (the amount borrowed) and interest due on that debt. Unlike some cities and counties, Metro does not issue long-term notes and bonds to finance operating expenditures or deficits.

The Council authorizes debt issues in legislation that defines the specific improvements to be financed with that debt issue. The proceeds from the sale of the debt are used to pay for the improvements. The debt may be in the form of long-term bonds (usually maturing over a period of 20-30 years) or shorter-term notes (usually having 3- to 5-year maturity periods). Metro repays the principal and interest over time to those who own the debt.

Debt generally falls into two categories: revenue and general obligation.

- Revenue debt is repaid only from revenues created by the capital improvement. It is accounted for through the enterprise or internal service fund that develops the capital project and receives the revenues it generates.
- General obligation debt is payable from taxes, and is backed by the full faith, credit, and taxing power of the government. Issuance requires passage of an ordinance through three readings before the Council. General obligation debt is repaid from three debt service funds: GSD Debt Service, Schools Debt Service, and USD Debt Service.

The Metropolitan Charter requires that debt service funds be sufficient each year to pay the required principal and interest due on outstanding bonds.

The GSD and USD Debt Service Funds are funded primarily by a dedicated portion of the property tax levies. The Schools Debt Service Fund receives most of its revenue from sales taxes that are allocated to Schools. All three funds also generate revenue from interest on invested cash balances.

## The School Fund

The FY 2002 General Purpose School Fund budget totals \$443.1 million.

Revenues for this fund come from the property tax, local option sales tax, and revenue from the federal and state governments. It receives a dedicated portion of the property tax; in FY 2002, \$1.24 of the current real property tax earmarked for the School Fund is expected to generate \$157.5 million. (The School Debt Service fund receives an additional \$.20 of the property tax.) By state law, at least 1/2 of the local sales tax must be allocated to schools; Metro allocates 2/3 of the local option sales tax to schools, or an estimated \$148.2 million in FY 2002. State and federal revenue makes up an additional \$142.5 million of the School Fund budget.

The fund's expenditures are budgeted and controlled by the Metropolitan Board of Public Education. The highlight of the FY 2002 budget is the ability of the school district to balance its budget while continuing to provide the instructional services it provided in FY 2001.

Property Tax – Current Year	\$157,521,700
Property Tax – Prior Year	2,306,785
Payments in Lieu of Property Tax	2,537,650
Local Option Sales Tax	148,225,259
Licenses and Permits	2,552,575
Charges for Current Services	2,818,095
Federal and State Governments	142,474,094
Miscellaneous Revenue	3,089,229
Funds Transfers	819,787
Fund Balance Appropriated	(19,223,538)
<b>Total General Purpose School Fund</b>	<b>\$443,121,636</b>



## Enterprise Funds

### Convention Center Fund (60162)

**\$5,259,521 – 53.5 FTE**

The Nashville Convention Center provides citizens of Nashville and Middle Tennessee with a convention, exhibition, and multi-use facility that generates economic impact for the area. The Convention Center operations are financed through revenues generated by facilities and equipment rental and the hotel occupancy privilege tax.

### Farmers Market Fund (60152)

**\$1,122,671 - 9.0 FTE**

The Farmers Market was relocated in FY 1995 and has become a highlight of the State of Tennessee's Bicentennial Mall. The Market provides facilities for vendors for the sale of fresh fruits, vegetables, flowers, and other merchandise that centers on a theme of "made in Tennessee". In addition to the regular market area, there are two restaurants in the interior market and a specialty food market of 15,000 square feet that offers unique food products from across the State and around the world. Revenues from booth and restaurant rental space finance the operation of the Farmers Market.

### State Fair Fund (60156)

**\$3,803,964 – 19.0 FTE**

The State Fair Fund operates the Tennessee State Fair held each September. The fairground facilities are also used to operate a monthly flea market for vendors from Middle Tennessee and surrounding states. The State Fair Fund is supported entirely from rental revenues received for its events.

### Water and Sewer Operations Fund (67331)

**\$67,500,000 – 714.0 FTE**

Water and Sewer Services provides quality water services at an economical price. This fund is used to pay for the operation and maintenance of all water and sanitary sewerage facilities of the Metropolitan Government. Other related funds of the department are used for new construction and improvements to existing facilities.

**General Hospital Fund (62269)****\$69,416,738 – 753.5 FTE**

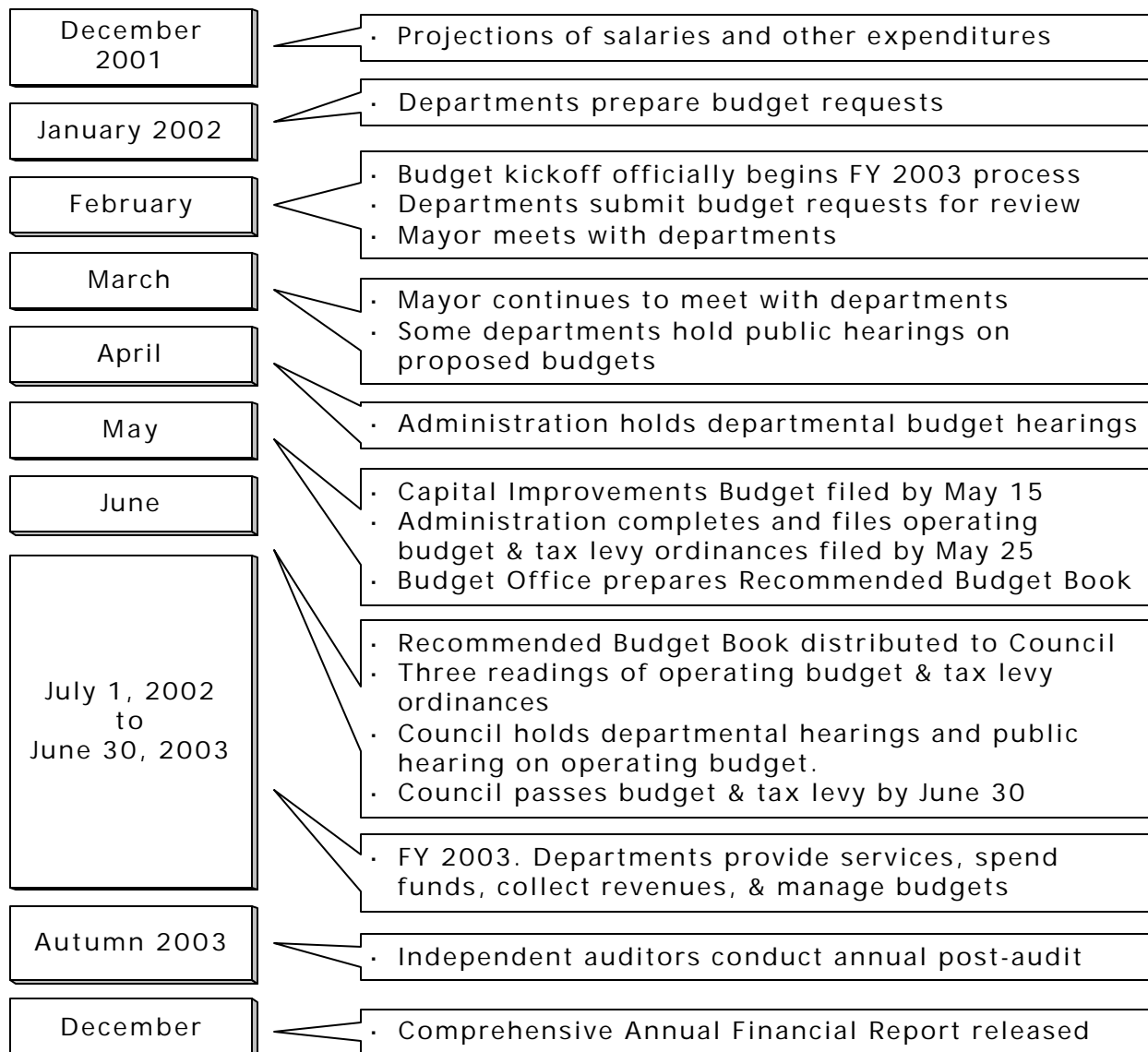
General Hospital, an acute care hospital with 229 licensed beds, provides quality patient care to the medically needy citizens of Metropolitan Nashville and Davidson County. General Hospital's operations have been moved from the GSD General Fund to allow for flexibility in adjusting operations and activities according to changing revenue issues and sources. The GSD General Fund will contribute local revenue to the fund to supplement other revenues produced by hospital activities. This practice will assure the general fund of a more predictable local funding commitment as hospital issues change.

**Bordeaux Hospital Fund (62270)****\$30,308,738 – 547.0 FTE**

Bordeaux Hospital, a long-term care chronic disease hospital and nursing facility with 636 licensed nursing beds and 60 hospital beds, provides quality patient care to the medically needy citizens of Davidson County. Like General Hospital, Bordeaux Hospital's operations have been moved from the GSD General Fund to an enterprise fund.

## The Budget Process

The budget calendar provides structure to the process of developing Metro's annual operating budget. The tentative calendar for the Fiscal Year 2003 (July 1, 2002 to June 30, 2003) budget process is:



## Profile: Metropolitan Nashville and Davidson County

- Area: 533 square miles
- Elevation: 550 ft. above sea level
- Population: 569,891 (2000 Census)
- Mayor/Council, consolidated city-county government
- Tennessee State Capital

### CLIMATE

- Annual average temperature: 59° F
 

Monthly avg. high temp.:	Winter 49° F	Summer 89° F
Monthly avg. low temp.:	Winter 30° F	Summer 67° F
- Annual average precipitation: 48.5"

### SELECTED ECONOMIC INDICATORS

- Retail Sales (1999): \$13,841,000,000
- Average (mean) per capita income: \$32,987 (1999 estimate)
- Median effective buying income: \$40,339 (1999 estimate)
- Cost of living: 93.9 compared to US average of 100
- Unemployment rate: 2.7% (1999)
- 12 Banks and a Federal Reserve Bank branch office
- Major employers (many with corporate or regional headquarters) include organizations in these industries:
 

State, local, & federal government	Manufacturing
Healthcare	Publishing
Automotive manufacturing	Information distribution
Retail	Education
Restaurants / motels	Distribution
Finance	Transportation
Telecommunications	Electronic funds transfer

### EDUCATION

- State and local Industrial/Vocational Training available
- Schools (K-12): 127 Public; 70 Private and Parochial (Nashville MSA)
  - High School Graduates: 3,938 in 1998
  - High School Diploma: 64.5%; College Bound: 74.1%
- Colleges: 19 (including 2 Medical Schools)
- Libraries: 1,505,288 items (total collection as of July, 2001)

**MEDICAL**

- Facilities: 17 Hospitals, 118 Clinics
- Doctors: 2,804 licensed MDs, 440 Dentists
- Veterans Medical Centers: 2

**TRANSPORTATION**

- Railroads: Served by CSX Transportation  
Motor Freight companies: 143; terminal facilities: 100  
Bus Service: 1 intercity, 1 local
- Navigable Waterway - Port of Nashville, Cumberland River (channel depth: 9')
- Nashville International Airport (longest runway 11,000 feet):  
Over 416 arrivals & departures daily on 17 airlines  
7,600,000 passengers and 59,000 tons of cargo flown (1997)

**RECREATIONAL FACILITIES**

- Parks: 94 (9,360 acres)
- Golf courses: 18 (10 private)
- Swimming pools: 13
- Country clubs: 11
- Tennis courts: 160
- Bowling alleys: 11
- Lakes: 2 (30,000 acres)
- State Fair Grounds
- Wave Pool
- Centennial Sportsplex
- NFL football (Tennessee Titans)
- Arena Football (Nashville Kats)
- NHL hockey (Nashville Predators)
- AAA baseball (Nashville Sounds)
- Hotels/motels – 28,628 rooms
- Largest meeting room capacity: 55,000 sq ft
- Restaurants: 2,350
- Nashville Zoo

**FINE ARTS**

- Tennessee Performing Arts Center
- Tennessee State Museum
- Cumberland Science Museum
- The Parthenon (a full-scale replica of the original)
- Tennessee Botanical Gardens and Fine Arts Center at Cheekwood
- Van Vechtan Gallery at Fisk University
- Blair School of Music, Vanderbilt University
- Ryman Auditorium (former home of the Grand Ole Opry)
- Symphony orchestra, symphony chorus, jazz ensembles, ballet, & theaters
- Music City USA!



## Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Metropolitan Government of Nashville and Davidson County, Tennessee for its annual budget for the fiscal year beginning July 1, 2000.

In order to receive this award, a governmental unit must publish a budget document that meets program

criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

The GFOA is the leading association for government finance professionals in North America. This is our ninth year to win the award; it was given for our three-volume *FY 2001 Operating Budget Book* set (the GFOA does not evaluate this *Budget in Brief* booklet). GFOA's Distinguished Budget Presentation Awards Program is the only national awards program in governmental budgeting. We also hold the Certificate of Achievement for Excellence in Financial Reporting from GFOA for our *Comprehensive Annual Financial Report*, most recently for the fiscal year ended June 30, 2000.